

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 658 - SB 723**

March 2, 2015

**SUMMARY OF BILL:** Authorizes the State to require an employee to reimburse the state for training costs if the employee received training as a condition of employment and if the employee voluntarily leaves state employment less than a year after the person's hire date. The employee would not be required to reimburse the state if the employee were terminated or if the employee was promoted or transferred to another state position. Authorizes the Department of Human Resources (DOHR) to develop policies and procedures to implement the proposed legislation.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – The provisions of the bill could result in an increase in state revenue. However, due to a number of unknown factors, the exact impact is unknown. Based on information from one department, the average cost to train one employee is \$4,050. It is estimated that each individual reimbursement the state receives will be less than \$5,000.**

Assumptions:

- Each department that requires training as a condition of employment is responsible for the cost of the training and would receive the reimbursement from employees who voluntarily leave state employment within one year of being hired.
- According to the Department of Children's Services, 85 employees who were hired during 2013 voluntarily left state employment within one year of completing training. The average cost of training was \$4,050 per person resulting in a total of \$344,425.
- The Departments of Financial Institutions and Human Services do not track this type of information and cannot determine the impact as a result.
- DOHR does not require any education or training as a condition of employment. No fiscal impact to DOHR to promulgate policies or procedures.
- According to the Department of Transportation (TDOT), the proposed legislation will have little if no impact. TDOT already requires reimbursement by contract if an employee leaves the state within one year of completion of the training or program.
- Authorizing the State to require employees to reimburse the state for training costs if such employee received training as a condition of employment and if the employee voluntarily leaves state employment less than a year after the person's hire date could result in an increase in state revenue. However, a precise increase is indeterminable due to unknown factors including the number of departments the provisions of the bill would apply to; what the average cost of training is across state departments; the number of

employees per department who receive training as a condition of employment; and the number of those employees who leave state employment within one year of their hire date. It is estimated that each individual reimbursement received by the state under the provisions of the bill will be less than \$5,000.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding", written in a cursive style.

Jeffrey L. Spalding, Executive Director

/lsc